Article 29 of the French Energy and Climate Law

2023 Annual report

Bridgepoint

Bridgepoint Group plc is one of the world's leading private asset growth investors, specialising in private equity and private debt. With over €41bn of assets under management and a strong local presence in Europe, North America and Asia, we combine global scale with local market and sector expertise, consistently delivering strong returns through cycles.

We have a diversified approach to investing across four verticals: Advanced Industrials, Business & Financial Services, Consumer and Healthcare – with Technology as a horizontal connected to everything everywhere.

Moving towards net zero, having a more representative workforce, supporting our communities and strong governance are at the heart of our ambitions.

That's why we have the structures, policies and people in place to deliver these ambitions and support our broader belief that sustainable and resilient businesses deliver stronger performance.

We aim to make Bridgepoint a leader and a role model in corporate responsibility by continuously meeting and raising environmental, social and governance standards.

In France, Bridgepoint's business is regulated by the French Financial Market Authority ("Autorité des Marchés Financiers"). Bridgepoint SAS and Bridgepoint Credit France SAS (our "French Entities"), are subject to Article 29 of the French Energy and Climate Law ("Loi Energie Climat" – "LEC"). The present report aims to address how we comply with the requirements of Article 29 LEC.

Bridgepoint monitors and consolidates its extra-financial performance at a global level. In this report, we endeavour to disclose information at our French Entities' level to ensure that all relevant information is retained.

Contents

Our general approach

Our investment strategy

Bridgepoint's investment strategy focuses on investing in middle market businesses via four distinct fund strategies:

- **Middle Market**, implemented via Bridgepoint's flagship buyout fund, which focuses on investing in market-leading businesses typically valued between €250 million and €1 billion;
- **Lower Mid-Cap**, implemented via Bridgepoint Development Capital, which focuses on investing in small mid-cap companies valued up to £200 million;
- **Small Cap**, implemented via Bridgepoint Growth, which focuses on companies using digital technologies to achieve transformational growth in their end-markets, typically seeking equity investment of between £5 million and £20 million;
- **Credit,** implemented via Bridgepoint Credit, is our private credit platform that invests across the capital structure and risk-reward spectrum through three complementary strategies of Syndicated Debt, Direct Lending and Credit Opportunities.

Regardless of the investment strategy, we always strive to improve environmental and social outcomes in line with our beliefs.

Our approach to sustainability at Group level

It is our aim to make Bridgepoint a leader and a role model in corporate responsibility by continuously meeting and raising environmental, social and governance standards.

Tackling climate change issues

2019
Since 2019, Bridgepoint has been calculating its firm-level carbon footprint on an annual basis and since 2020 has been offsetting the greenhouse gas emissions associated with our operations (including scope1, 2, 3 emissions, excluding scope 3 category 15 financed emissions).

2020
Since 2020, we operate our global office network on 100% renewable electricity, partnering with ACT Commodities, a Bridgepoint portfolio company and leading supplier of market-based environmental solutions.

2023
In 2023, we have also established an ESG Committee of the Board to oversee the implementation of the Group's ESG and DE&I policies.

Improving Diversity, Equity, and Inclusion (DE&I)

Harnessing the power of our people
Bridgepoint is an international business: our employees come from over 30 nations and 55% of investment professionals are multilingual. But nationalities and languages are just the start. We are working hard to enrich the diversity of our organisation on every level and to ensure we foster an inclusive culture where everyone has equal opportunity to succeed – we are currently at 25%+ female representation in investment teams and aim to be 30% by the end of 2025 (40% if you exclude partners).

Read more about DE&I on pages 32 to 35 of the 2023 Bridgepoint Annual Report.

Upon joining Bridgepoint, all new employees are provided with sustainability training, providing new joiners with important information on sustainability activity and our progress. In addition, throughout 2023, the Sustainability team hosted training seminars for the investment teams including sessions covering climate change and responsible investment. These sessions form part of a regular ESG and DE&I training program.

Our approach to sustainability as a responsible investor

We are growth investors, and we back businesses at critical stages in their lifecycle. This gives us the opportunity to drive positive change, not just in terms of performance but also in the environment and society in which we operate.

We want to help businesses do good and grow faster and we believe sustainable, resilient businesses deliver superior returns and a better society.

When we invest, we invest to grow. Bridgepoint looks to support strong performing, good-quality, well-managed businesses that have the potential to flourish, whether via international expansion, operational improvement or acquisitions.

But that's not all we look for. We want to generate attractive returns in a manner the millions of beneficiaries of our funds can be proud of. From the outset, this is what we have strived to achieve.

Since Bridgepoint was founded in 1985, our ambition has remained consistent: To create lasting and sustainable positive impact

Beneath that ambition lie four key sustainability beliefs that guide our investment decision-making:

1. We believe that business can and should be a force for good. We drive growth and build value by connecting people, capital, ideas and opportunities.
2. We believe we must invest in our world and its environment. Environmental action is ushering in a new era of innovation, efficiency, and sustainable growth. Climate change represents an investment risk and an opportunity.
3. By bringing diverse teams together that reflect the world in which we live, we can deliver better performance.
4. We believe well-governed businesses perform better and are more resilient. Structure, accountability, effective decision-making, and performance monitoring all enable sustainable success for all stakeholders.

We evaluate our four core sustainability beliefs across essential areas: our group operations as entity, our investment decision making our portfolio operations, and portfolio practices.

Sustainability industry associations

Sustainable Markets Initiative (“SMI”)

We are members of the SMI’s private equity roundtable. The SMI, which was launched by HM King Charles III at the World Economic Forum 2020, is a global coalition of leading companies that share a vision for the need to accelerate global progress towards a sustainable future and to tackle climate change and biodiversity loss.

Initiative Climate International (“iCI”)

In 2021, Bridgepoint joined the iCI, an initiative for private equity action on climate change in support of a collective commitment to understand and reduce carbon emissions of private-equity-backed companies and secure sustainable investment performance.

ESG Data Convergence Initiative (“EDCI”)

We are a founding member of the EDCI which was set up by a group of GPs and LPs in 2021 led by CalPERS and Carlyle. The EDCI is the private equity industry’s first-ever collaboration to align on a standardised set of ESG metrics and a mechanism for comparative reporting. Throughout 2023, we served as a Steering Committee member which is a position we have held since 2021.

UN PRI 2023 score published in 2023

In our 10th year as a UN PRI signatory, we are pleased to have received the top rating (5 stars) in all three core modules of the assessment, including achieving full marks for the private debt and private equity modules. Additionally, we scored 4 stars in the new module – Confidence Building.

Module	Bridgepoint	Median Peers
Policy, Governance and Strategy	97 / 100	76 / 100
Direct – Private equity	100 / 100	86 / 100
Direct – Fixed income – Private debt	100 / 100	80 / 100

Sustainalytics

For the second time, we received a Sustainalytics score in 2023, which put us in the 16th percentile (from the top) in our sub-industry (Asset Management and Custody Services). Whilst this is a good result, we will continue to develop our processes and aim to improve our score on a year-on-year basis.

For more information on climate risk and risk management more generally please see pages 74 to 81 of the 2023 Bridgepoint Annual Report.

Communication with investors

Corporate website

Bridgepoint's website provides information on our values, our purpose, our investment strategies and our investment approach. Investors and shareholders can access financial data as well as press releases and governance information.

Communication with Limited Partners

We report to our fund investors via Quarterly Reports, which include dedicated sections about the Company's non-financial performance, as well as key highlights and indicators that are collected and aggregated across the portfolio using our integrated portfolio monitoring system. This monitoring takes place at both management and portfolio levels.

The Limited Partner Advisory Committee meetings (held twice a year) and the Annual Investor Meeting serve as key platforms to communicate our sustainability performance updates.

Investor questionnaires

The Investor Relations team and the ESG team work together to provide our Limited Partners with regular reports, in particular through replies to requests for information and questionnaires (which regularly feature cases studies to demonstrate performance).

Our internal resources

Governance

Laying our sustainability foundations
Our rigorous approach to the management of fund investments includes putting in place structures to ensure that Bridgepoint remains accountable and transparent, and that there is complete alignment of interest between the Company and third-party fund investors.

Our Board-level ESG Committee, comprising Non-Executive Directors, aims to ensure that ESG considerations, including climate concerns, are integrated into the Company's strategic and financial planning. It met twice in 2023 and assists the Board in fulfilling its oversight responsibilities in relation to ESG matters.

Read more about our ESG Committee on page 99 of the 2023 Bridgepoint Annual Report.

Sustainability team

Across the group we have now a dedicated sustainability team of seven who play a pivotal role in strengthening our programme and driving performance at a Group level and across fund portfolios.

To conduct its activities, the ESG team has a dedicated budget allowing to manage sustainability projects at entity level, to carry out Bridgepoint's carbon assessment, to manage and support portfolio companies on ESG stakes, as well as to carry out ESG due diligence.

All our private equity investment professionals complete ESG training. In 2023, the trainings delivered were aligned with our Private Equity portfolio priorities for the year: our climate programme. From their side, Credit Investment Team have received training about ESG margin ratchet mechanisms.

Sustainability criteria in our governance

Integration of sustainability criteria in the rules of procedure of the entity's board of directors or supervisory board

The Group Board promotes the long-term sustainable success of Bridgepoint, generating value for shareholders and contributing to wider society and firmly believes in the importance of diversity at Board level.

Governance bodies' scopes and competencies

Bridgepoint's governance bodies are responsible, amongst other things, for monitoring the Group's ESG strategies. The solid expertise and leadership skills of each board member enable the Group to benefit from strategic advice.

ESG-related committees

Investment Advisory Committee
This committee is composed of the most experienced partners and (alongside the investment and sustainability teams) is responsible for assessing and integrating sustainability risks and opportunities considerations into pre-investment and ownership/stewardship practices.

ESG Committee
This Committee assists the Board in its oversight of environmental, social and governance matters.

Integration of sustainability criteria into our remuneration policy

Executive Director bonuses

A Remuneration Committee applies a carefully selected set of criteria to assess eligibility based on financial and non-financial metrics to ensure that bonuses align with Company-strategic objectives. Non-financial metrics include initiatives relating to people, Sustainability and strategy.

Our engagement strategy with stakeholders and management companies

Sustainability in the private equity investment process

Before, during and after

We carry out thorough sustainability due diligence before we invest.

We are proactive in working with our portfolio companies to raise their ESG ambitions and help them to achieve their targets.

By further embedding sustainability in the strategies of our portfolio companies, we set them up for sustainable success both during and after the investment period.

Pre-investment

When we first consider a potential investment, our team will identify any potential sustainability red flags and opportunities as part of our early transaction screening. As an example, we have a private equity exclusion list that highlights sectors and activities that we will not support. An opportunity can be rejected on sustainability grounds at this or any later stage.

Directly post-investment

We aim to discuss sustainability collaboratively with portfolio companies as early as possible – from the due diligence stage before we have made the investment through to signing and closing the investment and beyond.

During the investment period

Throughout the fund investment period, we regularly review sustainability programmes and progress with management teams, ensuring alignment with Bridgepoint's expected standards and industry-specific good practice. Our objective is to create value by embedding sustainability practices at our portfolio companies.

At divestment

Our goal is to set up businesses for sustainable success following the Bridgepoint investment period.

Sustainability in the credit investment process

Lending weight

Bridgepoint Credit invests across the capital structure and risk-reward spectrum, through our Direct Lending, Credit Opportunities and Syndicated Debt strategies.

Where we make credit investments, we apply an ESG due diligence framework and offer ESG-related loan pricing incentives. Where Bridgepoint Credit holds a meaningful equity stake, the credit team supports the implementation of appropriate ESG policies and relevant KPIs to mitigate potential sustainability risks.

Pre-investment screening

When assessing the attractiveness of an investment opportunity, we consider material sustainability aspects as part of our due diligence. Our sustainability analysis is included within the investment recommendation reports which are shared with the relevant credit investment committees, which consider the information as part of the ultimate investment decision.

In addition, an assessment of the governance and policies of the owner of the company is implemented to ensure its governance and policies are in line with Bridgepoint's sustainability standards. The due diligence process involves the completion of an ESG questionnaire, which results in a scoring of the company's sustainability practices and solutions.

Incentivisation

We offer incentives to sponsors, where appropriate, with ESG-linked margin ratchets and regularly monitor portfolio company performance relative to ESG-related KPIs agreed within ESG margin ratchets. These KPIs are typically linked to the interest rate of a loan which can be increased or decreased to reflect underperformance or outperformance.

Targets are set with the aim of being in alignment with the Sustainability-Linked Loan Principles ("SLLPs") and are therefore material and ambitious sustainability topics relevant to the company. KPIs may include carbon emission reduction, waste reduction, increasing employee diversity and improving performance within third-party sustainability.

Monitoring

We use a regular ESG survey to assess portfolio sustainability performance on an ongoing basis and use this survey as a platform for engagement with portfolio companies.

Additionally, twice a year, we conduct a formal ESG portfolio review to evaluate sustainability progress and identify any issues that need to be addressed. These reviews provide an opportunity for the credit investment team to engage with portfolio companies, gain sustainability-related information and revise our internal scoring of a company's ESG practices and solutions.

ESG-linked ESG margin ratchets

In 2023, Bridgepoint Credit organised for a sustainability council to the Loan Market Association (LMA) to run training on the SLLPs and how they should be used to structure robust ESG margin ratchets. This training was provided to the Bridgepoint Credit investment team members and the Sustainability team to support them to implement robust and ambitious ESG-linked margin ratchets. Bridgepoint Credit's Sustainability team has also developed an 'ESG Margin Ratchet Introduction' document for portfolio companies to give an overview on our approach and some guidance regarding KPI and target setting.

Embedding our climate impact assessments

Our long-term goal is to make the assessment of climate impact a core part of our credit analysis. The challenge is to obtain data from companies that do not often measure their own climate impact. In 2022, Bridgepoint Credit partnered with a leading global carbon accounting platform to assess the carbon footprints of BDL III and BCO IV portfolio companies. In 2023, we have extended the scope to include BDL II and a number of SMAs. Please see pages 78 to 80 of the 2023 Bridgepoint Annual Report for the Task Force on Climate Related Financial Disclosures (TCFD) Metrics and targets for more information.

Sustainability at ECP

A key milestone in Bridgepoint's sustainability journey last year was the announcement that ECP, a leading North American infrastructure investor specialising in energy transition and sustainability-focused investing, will be joining the platform.

This partnership underscores a unified commitment within Bridgepoint and ECP to embed sustainability principles across our group operations, investment strategies, and portfolio practices, reflecting our shared dedication to responsible investing.

Refer to pages 12 to 17 of the 2023 Bridgepoint annual report for more information on ECP.

Bridgepoint's screening of investments

We understand the importance of our role when investing. We aim to invest in businesses that create positive impacts and do not cause detrimental harm to society or the environment. The Bridgepoint Europe Investment Advisory Committee screens all potential investment opportunities against the guidelines set out below.

Pre-Investment Screening and Excluded Investments

For both our private equity and private credit investments, we refer to specific exclusion lists, which highlight the harmful sectors and activities that we will not support. In Bridgepoint Credit, in addition to first screening potential investments, we also assess the shareholders of the company (typically, a private equity firm) to understand how ESG issues will be supported during the life of the investment.

European taxonomy and fossil fuels

Proportion of our investments aligned with the EU Taxonomy Regulation

Bridgepoint Group is not subject to Article 8 of the Regulation (EU) 2020/852 ("EU Taxonomy Regulation"). Consequently, we do not disclose information on the alignment of our investments with the EU Taxonomy Regulation. However, some of the portfolio companies may happen to be aligned with environmental objectives of the EU Taxonomy.

Share of exposure to companies active in the fossil fuel sector

As stated in our exclusion list, we typically do not invest in energy intensive sectors or have direct exposure to the fossil fuel sector, and therefore consider our exposure to climate risks to be limited.

Our journey to net zero in line with the Paris Agreement

We are committed to supporting the transition to a low carbon economy and achieving net zero and report on our progress transparently. We are at the early stages of this journey and the following disclosure details our second response in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

Whilst the direct environmental impact from Bridgepoint's own operations is considered to be limited, we are working on reducing our carbon footprint through the implementation of office emission reduction initiatives, supplemented by verified carbon credits. We are also focused on reducing our 'financed emissions' by supporting our portfolio companies in developing carbon reduction roadmaps and accompanying actions.

We consider our biggest exposure to climate issues to be in our investment portfolio and this is where we continue to focus our attention.

Metrics used to assess climate-related risks and opportunities

Bridgepoint has been monitoring the Group's scope 1, 2 and 3 emissions since 2019. We have disclosed the GHG emissions related to our investment portfolio since 2022, calculating this in line with the GHG Accounting & Reporting Standard for the Financial Industry, developed by PCAF.

To help enable portfolio companies to calculate their GHG footprint, in 2023 we launched a centralised Climate Programme. The programme helps portfolio companies both in the calculation and verification of GHG emissions and the development of tailored GHG emission reduction plans. We believe that this programme will make a material difference in the robustness of the reporting of our financed scope 3 emissions.

Alongside GHG emissions, we track a broad range of sustainability and climate-related metrics across our private equity and credit investment activities.

In private equity portfolio companies, annual KPIs include energy consumption, adoption of climate-related policies and the implementation of appropriate governance and risk structures, as well as other company-specific KPIs (e.g. water consumption, hazardous and non-hazardous waste production, biodiversity, and life-cycle assessment) that are monitored throughout the investment period to ensure alignment to Bridgepoint's sustainability standards.

In our private credit business, we have established an annual portfolio company scoring system, which enables us to assess sustainability performance against over 30 KPIs, including environmental metrics such as consumption of renewable energy and GHG emissions reduction.

In terms of specific metrics used to assess climate-related risks, we have also used both Climate Value-at-Risk (CVaR) and Implied Temperature Rise (ITR), detailed below.

CVaR is a forward-looking metric used to measure the climate-related risks and opportunities within an investment portfolio.

- In the medium term (2030), the climate transition is modelled to have a low negative impact on the earnings of the private equity portfolio of –0.2% and –0.1% under the 2°C disorderly and orderly scenario, respectively, when compared to a business as usual (BAU) "hot-house" scenario. Similar to private equity, the credit portfolio is modelled to have earnings 0.6% lower and 1% lower in 2030 under the orderly and disorderly scenario, respectively, relative to the BAU scenario.
- In the longer term (2050), earnings for the private equity portfolio are modelled to be 1% higher under the 2°C scenarios compared to the BAU scenario. The credit portfolio is modelled to continue to experience a reduction in potential earnings (compared to BAU) of 0.3% and 0.5% for the orderly and disorderly scenarios, respectively.

ITR is a forward-looking metric that translates the output of longer-term scenario analysis into an estimated change in temperature, expressed as a numeric degree rating.

- For private equity, in the short and medium term, the portfolio is projected to be marginally misaligned to a 2°C scenario.

For private debt, the portfolio is projected to be marginally misaligned to a 2°C carbon scenario.

Overview of Bridgepoint Group's emissions and financed emissions

Estimated group emissions

The method used for calculating greenhouse gas (GHG) emissions is in line with the GHG Protocol Corporate Accounting and Reporting Standard and ISO 14064-1. We have included all sites and activities which fall under our operational control boundary.

The calculation includes:

- Scope 1 emissions, which include an estimation of emissions from cooling systems within the offices Bridgepoint occupies as well as mobile and stationary combustion.
- Scope 2 emissions, which include purchased electricity as well as heat procured for our offices. They have been calculated using the location-based approach as well as the market-based approach to illustrate our efforts to procure renewable electricity since 2020.
- Scope 3 emissions, which include:
  - Category 1 (purchased goods and services) based on a combination of the average-data and spend-based methodologies. In previous years, the calculation had primarily included spend related to IT equipment, but in 2023 this has been extended to other categories such as advisory fees, catering services etc.
  - Category 3 (fuel and energy) derived from the energy use in 2023.
  - Category 6 (business travel) based on expenditure and distance travelled for air travel, rail travel, taxis, and rental cars, and on the number of nights stayed or expenditure on hotels.
  - Category 7 (commuting) based on mode of transport, distance travelled and number of days to the office collected through a survey conducted during 2023.
  - Category 15 (investments) based on calculations in line with the Partnership for Carbon Accounting Financials (PCAF) methodology. These are shown separately in the following section.
  - Categories 2, 4, 8, 10, 11, 12, 13, 14 are either not relevant or not significant and have not been calculated. Below are the Group's emissions (tCO_2e):

In 2022, we invested in a software platform and external support to improve the accuracy and completeness of our Group's GHG emissions inventory. This allowed us to report on a significant portion of the emissions indirectly arising from our operations, including our financing activities.

Reporting year	2023			2022		
Emissions scope	**France**	**Rest of the World**	**Total**	**France**	**Rest of the World**	**Total**
Total energy consumption (kWh)	305,821	983,931	1,289,752	282,661	1,163,791	1,446,452
Total energy from renewable sources (kWh)	122,943	553,676	676,619	102,239	481,655	583,894
Percentage of energy from renewable sources	40%	56%	52%	36%	41%	40%
Scope 1 (tCO_2e)	4	26	30	11	86	97
Scope 2 – location-based (tCO_2e)	39	219	258	46	223	269
Scope 2 – market-based (tCO_2e)	33	94	127	41	121	162
Total Scope 1 and 2 – location-based (tCO_2e)	43	245	288	57	309	366
Total Scope 1 and 2 – market-based (tCO_2e)	37	120	157	52	207	258
Emissions intensity for Scope 1 and 2 – location-based (tCO_2e/FTE)	0.83	0.74	0.75	1.12	0.99	1.01
Emissions intensity for Scope 1 and 2 – market-based (tCO_2e/FTE)	0.71	0.36	0.41	1.02	0.66	0.71
Scope 3 emissions (tCO_2e)	NA	NA	4,415	NA	NA	1,713

Estimated emissions from financing activities

We have estimated portfolio company emissions for our private equity portfolio and our selected credit funds (covering 58% of private debt AUM) using the PCAF methodology. For credit in 2022, BCO IV and BDL III were included and in 2023, we have extended the scope to include BDL II and a number of SMAs. We also calculated the weighted average carbon intensity (WACI), measuring tonnes of CO_2e produced per million dollars of revenue.

	2023		2022	
Strategy	**Total emissions (tCO_2e)**	**WACI tCO_2e/M$ (Scope 1,2 and 3)**	**Total emissions (tCO_2e)**	**WACI tCO_2e/M$ (Scope 1,2 and 3)**
Private Equity	1,630,824	464	896,638	191
Private Credit	340,488	190	114,612	161

Comparisons with the previous reporting year

Our Scope 1 emissions represent 30 tCO_2e in 2023 compared to 97 tCO_2e in 2022. Whilst we have continued to use the same externally-managed service for calculating emissions, our approach continues to be refined and improved and it was determined that the previous year's figures associated with cooling were overestimated.

Scope 2 location and market-based emissions decreased by 4% and 21%, respectively, vs 2022. This was driven by moving the London office to a new, BREEAM-certified, more energy-efficient building. Scope 3 emissions represent 4,415 tCO_2e compared to 1,713 tCO_2e in 2022. This is the result of enhancing our approach to reporting, including the addition of new categories such as commuting and energy-related activities and extending the scope of other categories such as purchased goods and services.

Our scope 3 emissions remained primarily the result of business air travel, which accounted for 67% of scope 3 emissions, whilst 26% were the result of purchased goods and services. For financed emissions (category 15), the GHG emissions account for 1,630,824 tCO_2e in 2023 for private equity, relative to 892,638 tCO_2e in 2022. This change is the result of improving the PCAF data quality used in the calculation: in 2022, 100% of the financed emissions were estimated using sector and region-based emissions factors (PCAF data quality score 4).

In 2023, we have incorporated company reported GHG emissions, following the GHG protocol standard for 12 companies, which represents approximately 25% of private equity AUM (PCAF data quality score 2).

For private credit, GHG emissions accounted for 340,488 tCO_2e in 2023 vs 114,612 tCO_2e in 2022 as the result of the inclusion of additional funds in the calculation and the use of reported scope 1 and 2 emissions for 31 credit portfolio companies.

In 2024 and beyond we aim to increase the use of reported emissions and calculate our financed emissions with data quality score 1 and 2 to continue improving the accuracy of the portfolio data we disclose.

Targets, performance and key priorities

At a Group level we aim to achieve the following:

- Procure 100% of the Group's office electricity from renewable sources, either through 'green' electricity tariffs or through the purchase of energy attribute certificates. We are pleased to report that we have satisfied this target since 2020.
- Offset our residual emissions by purchasing carbon credits in certified nature-based investment schemes, which are in line with the "beyond value chain mitigation" recommendations from the Science-Based Targets initiative as part of their Net-Zero standard. Certified nature-based investment schemes we utilise include:
  - The Uchindile Mapanda reforestation project to rebuild carbon sinks in Tanzania (verified carbon standard);
  - The Francis Beidler forestry conservation project in the US (climate action reserve standard);
  - The high-impact reforestation project to conserve forests and support communities in Nicaragua (the gold standard for the global goals); and
  - The Rotunda Forest project to improve forest management in Romania (verified carbon standard and climate, community and biodiversity standards
- Reduce our emissions through initiatives such as our UK employees benefitting from electric vehicle lease and cycle-to-work schemes as part of their benefits package. As mentioned above, we also moved our London office to a building with a BREEAM certification rating of 'Excellent'.

At portfolio level, we have set a long-term ambitious target of achieving net zero emissions in our portfolio by 2040. We recognise that this is an ambitious agenda, and we will take into consideration the maturity of our portfolio companies' sustainability strategies, offering them the necessary level of support as they work towards improving their sustainability performance.

Below is one case study demonstrating that we support our portfolio companies in achieving their sustainability objectives:

ACT

ACT is one of the leading providers of sustainability solutions in emissions, renewable fuels, renewable energies, and energy efficiency markets. Bridgepoint's minority investment contributed to ACT reaching Unicorn status in 2021.

Established in 2009 and based in the Netherlands, the CDP Gold-accredited company has grown to become a recognised global brand with a portfolio of more than 80 products in over 40 countries. ACT is the largest specialist intermediary in the environmental certificate sector. Furthermore, its diverse services are complemented by its ESG management platform that supports organisations with Greenhouse Gas Protocol-aligned emissions accounting and management.

Operating within dynamic and rapidly growing markets, ACT responds to the pressing need to decarbonise the global economy, and supports organisations in navigating increasing regulation, market complexity and in realising sustainability and climate action goals.

ACT shares its expertise in various leading global organisations to enhance industry standards and practice including the Carbon Disclosure Project, the Greenhouse Gas Protocol, the International Emissions Trading Association or the Carbon Pricing Leadership Coalition, among others.

Going forward, we will focus on raising our ambition and looking for new ways to integrate climate considerations into our sustainability strategy, while continuing to reduce our environmental impact through office emission reduction initiatives, supplemented by verified carbon credits.

Our long-term biodiversity objectives

The role of the Convention on Biological Diversity in our biodiversity strategy

We acknowledge the importance of biodiversity protection and the role that financial actors must play. Furthermore, we are assessing how the objectives defined in the Convention on Biological Diversity of 1992 can be reflected in our ESG policy.

We understand the importance of the subject and are in the process of considering how we can address this topic effectively. Biodiversity is currently one of the ESG topics considered in all pre-investment due diligence assessments.

Biodiversity is a topic area which we plan to continue to address in the future. During 2023, we recruited an in-house Senior Manager dedicated to environmental governance to examine how we could improve performance across our portfolio, including in relation to biodiversity.

Our contribution to reducing the main pressures and impacts on biodiversity identified

We are members of the Sustainable Markets Initiative's (SMI) private equity roundtable. The SMI, which was launched by HRH King Charles III at the World Economic Forum 2020, is a global coalition of leading companies that share a vision for the need to accelerate global progress towards a sustainable future and to tackle climate change and biodiversity loss.

In its annual ESG questionnaire, Bridgepoint also incorporates questions on biodiversity in our annual monitoring survey to portfolio companies to understand their operating exposure to sites in or adjacent to protected areas and/or key biodiversity areas, and whether biodiversity factors are integrated into their strategy and operations. Where applicable, we request detailed evidence to measure the extent to which they address relevant biodiversity issues.

In 2023, to understand the portion of our portfolio that may be exposed to nature-related risks or opportunities and the potential severity of this exposure, we launched our first nature-related risk assessment in complement to our updated climate risk assessment. This assessment covered 100% of our private equity portfolio and 58% of our private credit AUM, focusing on our most recent funds and those with the greatest management influence. We followed the LEAP approach (Locate, evaluate, assess and prepare) methodology recommended by the Taskforce for Nature-related Financial Disclosures (TNFD) and have been supported by an external expert third party to realise the assessment.

We will consider further expanding our biodiversity materiality assessment over the coming years. This could include an analysis of our contribution to reducing the primary pressures and impacts on biodiversity as defined by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. Additionally, we plan to develop a biodiversity strategy in order to actively contribute to resisting the biodiversity loss.

Measuring our impact on biodiversity

On an annual basis, we measure biodiversity impact through Bridgepoint's annual ESG questionnaire in which we have questions related to our portfolio companies' potential impacts on biodiversity. The purpose of this dedicated section is to assess a portfolio company's maturity level on biodiversity risks and impacts measurements, as well as on mitigation actions.

In 2023, we also used the results of our first portfolio nature-related risks or opportunities assessment to measure our impact. We identified that Bridgepoint's private equity and credit portfolios are likely to be exposed to nature-related risks due to the strong representation of three main sectors: Information Technology, Consumer Discretionary and Industrials. These sectors are considered to be highly or very highly exposed to nature-related risks and opportunities.

We will consider improving the measurement of our risks, dependencies and impacts on biodiversity. We plan to implement the required strategy to help mitigate those risks and impacts in nature at our portfolio and management company level and create opportunities when relevant.

Our risk management process

Our process for identifying, assessing, prioritising and managing sustainability risks

Whilst we aim to avoid investing in companies whose products, services or practices cause environmental harm, the Group recognises that its portfolio companies may present ESG risks and opportunities, which vary according to the company, sector, or jurisdiction.

Across our investment strategies, we consider active engagement an essential component of Bridgepoint's approach to ESG risk management. Throughout the investment period, we support and collaborate with the portfolio companies' management teams to implement best-practice ESG processes, policies and risk management systems. Within our private equity portfolio, our investment teams work with portfolio company management teams to appoint a senior executive to champion ESG considerations at the Board level (if not already in place), within six months of investment, in addition to a nominated contact who is responsible for ESG on a daily basis. Furthermore, specific ESG KPIs are defined with our portfolio companies to monitor their progress, with investment teams offering their expertise to help the companies establish appropriate ESG and carbon reduction initiatives.

In addition, throughout its investment cycle, Bridgepoint takes ESG risk management into account:

- During the screening phase, Bridgepoint's investment team identifies any potential ESG red flags in line with its exclusion policy.
- Subsequently, in the due diligence process, ESG risks are systematically analysed with a tailored approach, also aligned with our beliefs regarding climate change, diversity and inclusion, impact on communities, governance and performance measurement. We assess the company's performance against the SDGs; any ESG considerations related to the company's business model; its existing ESG policies and programmes; ESG at the corporate level; and opportunities for improvement. For further information, please refer to pages 10-13 dedicated to ESG integration in the investment process for private equity and credit activities.
- During the holding period, the Portfolio Management Committee, comprising senior investment Partners from across Bridgepoint, considers and reviews material ESG risks and opportunities in their relationship with investee companies. Material ESG risks that could impact the Group are managed by the ESG team with support from other parts of the business as appropriate. Where specific technical or legal expertise is required, the Group is supported by its extensive network of ESG and legal advisers and ESG industry associations

and working groups, such as Initiative Climate International, Invest Europe, BVCA and France Invest.

Such an engagement approach helps us ensure that our portfolio companies develop industry-specific good management practices of ESG issues and remain aligned to Bridgepoint's standards, contributing towards the UN SDGs.

Governance risks management

To address our main governance risks, we have developed a set of ten internal policies, especially:

- **An anti-bribery and corruption policy**, supported by internal training: All employees receive periodic mandatory antibribery and corruption training on the policy and its application.
- **A whistleblowing policy:** Bridgepoint periodically reviews the associated risk assessment and the implementation of the whistleblowing policy with regard to its relevance, adequacy and effectiveness.
- **An anti-financial crime policy:** As part of this policy, Bridgepoint has assessed any hypothetical money laundering and terrorist financing risks that are relevant to its business, products and services, concluding that there is a low risk of these issues.

Description of the main sustainability-related risks

Within the Group's risk management framework, risks are categorised into three areas: Strategic and External risks, Investment risks, and Operational risks.

The materiality of potential risks is assessed based on two key factors: the likelihood of the risks occurring, and the potential impact on the Group's performance were the risks to occur, taking into consideration both the financial impacts as well as the non-financial impacts such as reputational damage. Our framework also considers factors such as speed to impact and whether the risk is trending in a particular direction.

Appropriate mitigation measures and risk indicators are identified for all risks and the effectiveness of established control measures is regularly monitored by our Legal & Compliance teams, relevant Committees, and the Board.

Prioritising climate risk management

The Legal and Compliance team, which reports to the Audit and Risk Committee and the Executive Committee, periodically undertakes a process to identify the Group's key risk exposures, including climate-related risks. As risks are continually evolving, the Compliance and Sustainability teams regularly screen ESG regulatory matters that are material to Bridgepoint, including those related to climate risk and undertake horizon scanning to identify emerging risks. Any material issues identified will be escalated to the Executive Committee, Audit and Risk Committee and ESG Committee as appropriate. All the information on how climate-related risks and opportunities are considered in the Group's governance, strategy, risk management and actions are disclosed in the Task Force on Climate Related Financial Disclosures (TCFD) section of our 2023 annual report.

As we consider our biggest exposure to climate issues to be in our investment portfolio and this is where we continue to focus our attention. Therefore, in 2023 we have conducted a comprehensive climate-related risk mapping exercise to develop a more granular overview of our climate related risks. The results of this assessment will be integrated into the Company's central risk register to ensure climate-related risks continue to be considered in the Company's strategic and financial planning.

With regard to identifying and assessing climate-related risks in our investment portfolio, we have established an ESG due diligence process as previously described. With support from external ESG advisers, our investment teams assess the ESG performance of portfolio companies' pre-investment. Bridgepoint's investment team identifies short-, medium- and long-term climate-related risks: these risks are then summarised, along with any relevant remedial actions/recommendations, in the investment papers issued to the Investment Advisory Committee before any investment is made. Both transition and physical climate issues are considered in pre-investment processes and can include, but are not limited to, policy/regulation requiring measurement and reduction of carbon emissions, compliance with country-specific emission trading schemes, risks of flooding of key operations, and associated impacts to supply chains. Any material climate risks identified over the course of the ESG due diligence process are reviewed by the relevant committees, with our investment teams supporting portfolio companies with developing ESG roadmaps, monitoring KPIs and reporting against progress.

Throughout the investment period, within our private equity portfolio, all enterprise risks are assigned an owner from senior management to ensure oversight of the risk management process, and subcategory risks are owned by relevant team members, with climate-related risks often drawing on the expertise of the ESG and Risk and Compliance teams. Mitigation strategy, control measures and KRIs are identified for each risk, accounting for the effectiveness of the current control environment. Furthermore, in 2023, we enhanced the management of climate-related risks through the implementation of our climate programme. The programme enhances risk management through ensuring proper GHG accountability and science-based target setting. Within our credit strategy, where possible, Bridgepoint provides portfolio companies with financial incentives and penalties in the form of ESG margin ratchets. The margin ratchets include specified sustainability targets relevant to the business, which may include climate KPIs such as emission reduction targets. Thereby, management of sustainability-related risks remains a focal point throughout our investment period.

To encourage detailed disclosure on ESG matters, all portfolio companies are required to provide at least annually a comprehensive account of their ESG performance, including management of climate-related risks and impacts. Where the climate programme at a portfolio company is in the early stages of implementation, we have estimated the financed emissions of our private equity and credit portfolios using PCAF methodology. Please see our disclosure under metrics and targets.

Biodiversity risk management

As presented on pages 22-23, we have conducted a nature-related risk assessment across Bridgepoint's private equity and credit portfolios. In the future, we plan to further expand our materiality assessment process to better integrate biodiversity risks into our investment decision-making, from due diligence to ownership phase.

Risk management framework review frequency

Sustainability risks are regularly considered via the Investment Advisory Committee, Portfolio Management Committee, Audit & Risk Committee and ESG Committee particularly.

Currently, we do not have a formalised sustainability-specific risk mapping framework. However, the forthcoming review of Bridgepoint's ESG policy should help to strengthen the process of ESG risk consideration.

Action plan to reduce exposure to main sustainability risks

Main achievements in 2023

- We launched a centralised climate programme which aims to ensure that all our portfolio companies have established carbon accounting for their Scope 1, 2 and 3 emissions and developed a GHG emissions reduction plan aligned with science.
- For the calculation of our financed emissions, we extended the scope of the credit funds and it is now covering 58% of private debt AUM.
- We updated the climate-related risk and opportunities assessment and calculated two new indicators (CVaR and ITR) to assess our financial exposure to climate risks.

- For the first time, we also assessed our financial exposure to nature-related risks.

Main actions planned in the medium and long term

Each year, we will continue to refine our approach in order to create centralised support for our portfolio companies in managing risks and identifying areas for value creation.

Quantitative estimate of the financial impact of the key sustainability risks

At the Group level, any sustainability and climate-related risks considered to have material financial impact on the Group's financial performance are included within the scope of our central risk management system. The monitoring of these risks is integrated into Bridgepoint's existing risk management and investment monitoring processes.

Our in-house Sustainability team, in collaboration with the Legal & Compliance team and investment teams, is in the process of developing an enhanced risk register of climate-related physical and transitional risks with the potential to have a material impact on the Group's operations. The climate-related risk register framework includes assigning owners to all identified risks, summarises controls and mitigants, and specifies key risk indicators. In addition, it estimates the potential financial and nonfinancial impact were the risk to eventuate, as well as the cost of control measures. To date, Bridgepoint's sustainability risk mapping is not sufficiently formalised to allow a quantitative estimate of the financial impacts of these risks, except for climate-related risks.

To gauge these, we used Climate Value-at-Risk (CVaR) metrics to assess the financial exposure of our portfolio during the reporting period for 2023. The assessment concluded that, overall, our private equity and credit portfolio is exposed to relatively low climate risk. Therefore, the earnings of portfolio companies are not modelled to be significantly impacted under 2°C and 4°C degree scenarios (more detailed results in pages 15-16 of this document). We are committed to repeating this exercise regularly, covering both the Group and portfolio companies as both develop and change.

SFDR Article-8-compliant funds and principal adverse impact (PAI)

Funds which are classified as “Article 8 fund” under the Sustainable Financial Disclosure Regulation (SFDR) promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics. Currently, the following funds are Article-8-compliant: BE VII, BG II, BDL III and BCO IV. Bridgepoint does not consider the adverse impacts of its investment decisions in relation to those funds on sustainability factors within the meaning of Article 7 of the SFDR.

Bridgepoint